



DEPARTMENTAL OVERVIEW

THE DEPARTMENT OF TRANSPORTATION

The United States (U.S.) Department of Transportation (DOT) is the Federal steward of the nation's transportation system. The U.S. DOT was established on April 1, 1967 with the mission to develop transportation policies and programs that contribute to providing safe, fast, efficient, accessible and convenient transportation at the lowest cost. This is essential to meeting the national objectives of security, economic growth and stability, and the efficient use and conservation of resources.

The Departmental mission underscores the importance of transportation to all Americans and its role in improving the quality of life in communities.

The world is changing at a rapid pace. There are significant demographic shifts; people are living longer; national economies are more global in scope; and technology touches nearly every aspect of our lives. As the world changes and evolves, the transportation needs of the American people and businesses are also changing. Americans need and deserve a transportation system that is safe, fast, efficient, accessible and convenient. In order to successfully accommodate our customers — the American people — DOT must anticipate the demands required of the nation's transportation system and provide leadership to ensure that system meets the needs of Americans throughout the 21st Century.

One of the key elements within DOT's strategic plan is the goal of ensuring the security of the transportation system.

Air Transportation Safety and System Stabilization Act of 2001

As a consequence of the terrorist attacks on the U.S. on September 11, 2001, the U.S. commercial aviation industry suffered severe financial losses. These losses placed the financial survival of many air carriers at risk. President George W. Bush and Congress acted rapidly to preserve the U.S. air transportation system. One of the results was the Air Transportation Safety and System Stabilization Act of 2001, Public Law 107-42, which President Bush signed into law on September 22, 2001.

The Act makes available to the President funds to compensate air carriers for direct losses suffered as a result of the Federal ground stop order and any incremental losses beginning September 11, 2001, and ending December 31, 2001, resulting from the September 11 attacks. The Act provides financial assistance to air carriers in order to prevent a significant portion of the air transport industry from failing as a result of a short-term liquidity crisis in the wake of the September 11 attacks.

The Act provided financial assistance in two main ways. First, the Act authorized \$5 billion in direct compensation to air carriers for direct and incremental losses incurred as a result of the September 11

attacks. Second, the Act authorized the issuance of up to \$10 billion in loan guarantees to air carriers.

The Department has already disbursed initial estimated payments of approximately \$3.9 billion of the \$5 billion amount that Congress authorized. These payments are subject to adjustment and audit. In order to fulfill the intent to expeditiously provide compensation to eligible air carriers, the Department used informal procedures to make initial payments. Rules have now been established whereby air carriers may apply to receive future compensation under this statute.

ONE DOT

DOT has recognized that integrating its efforts is imperative if we are to continue leading the change and growth in the nation's transportation system. Instead of planning and operating a range of separate, distinct modes, we now think of the nation's transportation needs as a cohesive and integrated system. This integrated approach is the foundation for the ONE DOT Management Strategy.

One of the elements necessary to achieve DOT's stated mission and our desire to be "ONE DOT" is to have a solid financial basis with sound financial management. DOT has made significant progress in improving financial management. And we are committed to doing much more.

The ONE DOT concept builds on and emphasizes the collaborative work that is part of the history of the Department. This historical collaboration has resulted in significant public initiatives such as the Transportation Equity Act for the 21st Century (TEA-21); the leadership which DOT has assumed in welfare-to-work; rapid and effective response to natural disasters;

and other DOT efforts such as "Buckle Up America," and the Garrett A. Morgan Technology and Transportation Futures Program, to name a few examples. DOT will enhance the ability to achieve strategic goals by expanding collaborative efforts.

ONE DOT also compels us to think how we might draw upon the achievements of our colleagues to advance the Strategic Plan and mission of the Department beyond what we could accomplish individually. The ultimate goal isn't to create more work, but to effectively serve the needs of all our customers — internal and external — and resolve issues in a collaborative, integrated and cohesive manner.

Education and Careers in Transportation

Education is the fundamental building block to prepare our youth for tomorrow's challenges and opportunities. The Garrett A. Morgan Technology and Transportation Futures initiative at DOT focuses on helping today's young men and women become a workforce that will enable an advanced transportation system to serve our country well into the 21st Century.

This program serves as a catalyst to enhance transportation education at all levels by: leveraging the Department's current technology, education and research programs; and forging public/private partnerships.

This program has three goals:

- To ensure that America's transportation work force for the 21st Century is technologically literate and internationally competitive.
- To build a bridge between America's youth and the transportation community.

- To support the development of improved educational technology that provides better ways for people to acquire new skills.

The Department has an obligation to ensure that today's students are aware of the tremendous opportunities in the field of transportation and that they are prepared to take advantage of those opportunities. Achieving this goal is the mission of the Garrett A. Morgan Education Roundtable.

The Roundtable has dedicated its energies in advancing the math, science, and technology skills of one million students by 2000. In achieving this goal, the Roundtable identified and supported efforts to enhance math, science, and technology literacy at all age levels. The Roundtable did this through such techniques as, for example, supporting national efforts to expand tutoring and mentoring; cataloging a wide range of educational tools and opportunities; hosting workshops to bring together all levels of government, the private sector, and the education community; showcasing exemplary transportation education programs; identifying resources to support students' pursuit of transportation education; and facilitating development of educational technology which could be used across a variety of systems and for a variety of purposes.

First Annual "Put the Brakes on Fatalities Day"

To help reduce fatalities and injuries on the nation's highways, DOT joined a host of national safety advocates to mark October 10 as the First Annual "Put the Brakes on Fatalities Day" by signing a memorandum of understanding. In addition to DOT, also signing the agreement were a

number of public and private transportation organizations.

The agreement provides the framework to implement the national commemorative day promoting a reduction in crash-related roadway fatalities and increasing driver awareness.

The goals and objectives of the memorandum of understanding are:

- To engage public and private sector partners in promoting safe driving behavior.
- To encourage community action, through partnerships, in support of the national commemorative day.
- To promote safe driving behavior, better vehicle maintenance, and roadway safety improvements.
- To increase public awareness and individual responsibility for safe roadway travel as drivers or passengers, cyclists, or pedestrians.

Buckle Up America

Buckle Up America and the Initiative for Increasing Seat Belt Use Nationwide were established to lead a national initiative to address the most significant traffic and motor vehicle safety issues. During the Buckle Up America! Week/Operation ABC, May 21-28, 2001, National Law Enforcement Mobilizations were extraordinarily successful tools for raising the overall seat belt usage rate in the U.S. — a rate that now stands at 71 percent, the highest ever. The mobilizations have been especially successful at getting people to use their seat belts on highways during

long-distance driving. In addition to continued enforcement activities on our nation's major highways, people also need to be encouraged to buckle up on short, routine trips, through targeted enforcement efforts in local neighborhoods, cities and towns.

DOT Operating Entities

DOT employs over 100,000 civilian and military people located throughout the world. It includes the following operating elements:

Transportation Administrative Service
Center
(TASC)

United States Coast Guard
(USCG)

Federal Aviation Administration
(FAA)

Federal Highway Administration
(FHWA)

Federal Motor Carrier Safety Administration
(FMCSA)

Federal Railroad Administration
(FRA)

Federal Transit Administration
(FTA)

National Highway Traffic Safety
Administration
(NHTSA)

Saint Lawrence Seaway
Development Corporation
(SLSDC)

Maritime Administration
(MARAD)

Research and Special Programs
Administration
(RSPA)

Bureau of Transportation Statistics
(BTS)

Surface Transportation Board
(STB)

OUR MISSION STATEMENT

*Serve the United States by ensuring
a safe, secure, fast, efficient, accessible and
convenient transportation system that
meets our vital national interests
and enhances the quality of life of
the American people,
today and into the future.*

STRATEGIC PLANNING

FY 2001 was an important year in DOT's continuing transition to managing for results. During this last year, DOT delivered its third Government Performance and Results Act (GPRA) Strategic Plan to Congress, as required by law, for years 2001-2005. A critical foundation piece for performance-based budgeting and management, the DOT Strategic Plan focuses resource allocation on five Departmentwide strategic goals and one organizational goal, each with measurable objectives. The five strategic goals are:

Safety: Promote the public health and safety by working toward the elimination of transportation-related deaths and injuries.

National Security: Ensure the security of the transportation system for the movement of people and goods, and support the National Security Strategy.

Mobility: Shape an accessible, affordable, reliable transportation system for all people, goods and regions.

Economic Growth and Trade: Support a transportation system that sustains America's economic growth.

Human and Natural Environment: Protect and enhance communities and the natural environment affected by transportation.

The one organizational goal is organizational excellence — advancing the Department's ability to manage for results and innovation. It builds on the ONE DOT management strategy that was advanced in the 1997-2002 Strategic Plan. DOT developed three organizational outcomes to achieve in the next five years: improved customer satisfaction; improved employee satisfaction and effectiveness; and improved organizational performance and productivity.

The completed plan reflects a cohesive, cross-modal vision for *what* the Department aims to accomplish (strategic goals) as well as *how* the Department aims to conduct its business (organizational excellence). This plan aligns the efforts of the Operating Administrations (OAs) and Departmental offices. It also supports sound budgeting and financial management by integrating policy development and resource planning across modes well ahead of the budget process.

PERFORMANCE PLANNING AND MANAGEMENT

In the spring of 2001, DOT delivered a combined FY 2000 Performance Report/ FY 2002 Performance Plan to the President and to Congress. In order to more clearly explain DOT's goals and results to the Administration, Congress and the public, the Department combined this report on 2000 results with the plan for 2002 performance. Managing and achieving good results is enhanced by understanding historical trends and recent results and using this understanding to devise effective strategies and resource allocations. That is what the combined 2000 Performance Report and 2002 Performance Plan provides.

The Department's FY 2000 Performance Report provides a comparison of actual performance against the goals set in the FY 2000 Plan. DOT is proud of the results: 71 percent of its goals were met or showed improved trends. The FY 2002 DOT Performance Plan comprehensively links program activities found in each OA's budget to the Department's strategic goals. Most critically, the FY 2002 Performance Plan contains performance measures that DOT will use to assess progress in achieving long-range strategic goals. The plan organizes the presentation of these annual performance goals into five sections by strategic goal area. Within these five strategic goal areas, budget program activities are grouped together according to the annual performance goals they support. In this manner a clear line can be drawn from the mission to the strategic goal, and finally to the performance goals, strategies and requested resources.

The relationship between the performance plan's structure and the DOT budget is worth further discussion, since it gives insight into managing for results and financial accountability. The DOT Performance Plan is generally stated by major outcomes. The account and activity structure in the DOT budget varies by OA and type of budget account. In general, OA appropriation accounts group similar activities or funding mechanisms, and are not organized necessarily by outcome sought. Some appropriation accounts contribute to several different strategic outcomes, and in some cases, multiple accounts contribute to only one outcome, overall fatality reduction being the most salient example of this latter category. DOT's Performance Plan traces each appropriation account's program and financing structure to its strategic performance area.

Where DOT has been challenged is in accounting for both the primary and secondary impacts of budget activities. Program activities typically influence more than one outcome area, and, therefore, often they are associated with multiple performance goals. For example, building a new highway may affect travel time, congestion costs, emissions and land use, safety and security. At the same time, achieving these outcomes typically requires efforts across multiple program activities. For this reason, there may never be a clean, one-to-one relationship between funding and outcomes. The aggregated approach in the DOT Performance Plan reflects a reasonable compromise between completeness and clarity in this respect. It associates program activities and obligations with the primary purpose of the program, notes other programs which also contribute significantly

to the same goals, and does not double-count resources.

DOT will continue to reexamine and refine this approach for managing its resources and organizational performance. The Department also plans a closer link between performance accounting and cost accounting, as processes are refined. DOT is committed to more refined "managerial" cost accounting, and sees this as integral to improving the efficiency with which the Department manages for results. To this end, DOT is investing in improved financial systems, based on state of the art data systems, that will provide the flexibility to better associate dollars with activities, outputs, outcomes and performance goals.

PERFORMANCE GOALS

The DOT Performance Plan defines those performance indicators and goals used to measure the Department's progress in achieving the strategic goals. By linking these goals to the budget, the Consolidated Financial Statement describes FY 2001's efforts within DOT and shows how these efforts fit into the long-range plan for the Department and the U.S. transportation system. It presents performance measures, which the Department will use to assess its progress in future years towards achieving its long-range strategic goals. The performance goals are grouped together under the three areas of surface, air and maritime transportation based on the five strategic goals. This section immediately follows a description of the Department's entities and major programs. The data in this report is primarily for 2000, as 2001 data will not be available and analyzed until the DOT Performance Report is sent to Congress in the spring of 2002.

Transportation Administrative Service Center (TASC)

TASC provides a wide range of technical, management and administrative services to DOT elements, other Federal agencies, and State and local governments. Established as a centralized, Departmental entity to provide these common services, TASC functions under a business operations fund as an entrepreneurial organization, offering competitive, quality services that are responsive to customer needs. TASC offers an alternative source of administrative support and services which frees DOT's OAs to focus on core mission activities and generates savings to those organizations, and the Department as a whole, by consolidating redundant administrative management structures.

Safety: During FY 2001, TASC performed 8,497 random drug tests on DOT safety or security-sensitive employees. The FY 2001 random positive rate was 0.2 percent, which is below the Governmentwide average. DOT tests more employees for drug and alcohol use than any other civilian agency, and is second only to the Department of Navy in the number of employees it tests each year.

Since the terrorist events of September 11, TASC has heightened security controls on access to DOT headquarters buildings by: increasing scrutiny of authorized identification media by the DOT guard force; allowing building access to other Federal employees and non-Federal visitors only after they undergo security screening, including passing through a metal detector and having their packages and briefcases x-rayed; allowing visitors entry to headquarters buildings only on a controlled basis with host offices being required to escort visitors throughout the

building for the duration of their visits; scrutinizing more closely vehicles and passengers entering DOT parking garages; disallowing visitor parking in DOT headquarters buildings until further notice; increasing the number of roving guards patrolling DOT headquarters buildings 24 hours a day, 7 days a week; and requiring all delivery personnel to undergo security screening, including passing through a metal detector and having all bags and parcels x-rayed.

In addition, the Federal Protective Service and the Washington Metropolitan Police Department are providing special coverage by conducting periodic vehicle patrols of headquarters buildings. A contractor has been hired to closely monitor guard force activities and report any discrepancies. Another contractor has been hired to conduct environmental checks and set up a system for checking suspect mail and packages.

Mobility and Human and Natural

Environment: Having made a commitment to improve mobility and environmental quality by promoting transit alternatives for commuters, TASC continued to expand its program of transit benefit management services to Federal agencies and their employees. As a result of efforts in this area, the number of Federal employees who decided to rely on public transportation for commuting to work increased ten-fold in FY 2001, to more than 160,000 employees in 120 cities.

In addition, TASC met with representatives of five different transit companies in Seattle, Washington, in a joint venture to develop a Federal Employee Flex Pass Program for that metropolitan area. The program will reduce the cost to the Federal government by approximately 50 percent, increase the value of the pass for each employee, and

provide more flexibility in using public transportation.

Also, in the aftermath of the attacks on the World Trade Center, TASC provided special emergency support to the Securities and Exchange Commission offices in New York City.

Economic Growth and Trade:

Twenty-three percent of the dollar value of DOT's direct contracts awarded by TASC this fiscal year was to small and disadvantaged businesses.

TASC also expanded its outreach and support of the Department's Garrett A. Morgan Technology and Transportation Futures Program, organizing volunteers across DOT and reaching out to schools in Washington, DC and nationwide with educational materials and the donation of excess computer equipment.

National Security: TASC continued to provide the Department, its senior officials, and employees with physical and personal security services. Similarly, TASC worked in partnership with the Office of Intelligence and Security, DOT OAs, and other Federal agency customers to provide logistics, communications, technology and web-based reporting, tracking, and measurement solutions to ensure the safety and security of our borders and government operations.

On May 30, 2001, the Assistant Secretary for Administration signed a new DOT Personnel Security Manual (DOT Order 1630.2B). This Order, which expanded the requirements for background investigations to include contractor personnel, resulted in an increase in the number of security investigations to be conducted and reviewed by DOT personnel. TASC assisted DOT

OAs in identifying both Federal and contractor positions within DOT OAs to ensure the existence of appropriate security protections, including background checks, for personnel having access to or responsibility for critical/sensitive Departmental systems and data. Demand for security investigation services increased from an average of 500 investigations per year to 500 per month. TASC now provides adjudication of background checks for all OAs except FAA, enabling them to avoid the cost of duplicating this expertise and capacity in their respective organizations and reducing the cost of the service for all of the participating organizations.

TASC also developed and assisted in the implementation of a disaster recovery program for the USCG National Response Center.

In the past year, TASC provided more than 21,000 Federal employees at DOT and a dozen other departments and agencies with access to its Transportation Virtual University (TVU). TVU students can select from more than 1,800 technical and professional development courses in any given year for less than the cost of a single traditional classroom course. DOT/TASC has been selected as a managing partner for this initiative, along with OPM, to implement e-training across government.

DOT is the first Cabinet-level agency to have all of its dockets on-line and is seen as the model for other Federal agencies. During FY 2001, the Docket Management System (DMS) processed 164,308 pages, bringing the total pages in the system to 1,207,183. DOT/TASC has been named managing partner by OMB for extending use of the DMS in support of Federal rulemaking activities.

United States Coast Guard (USCG)

The Coast Guard is challenged to staff, train, equip, maintain, and operate a response infrastructure around our nation and beyond its borders. Achieving a high and sustainable level of readiness, within budget constraints, is the Service's overarching management imperative. In FY 2001, the Coast Guard:

- Saved over 4,100 lives.
- Managed approximately 602 Federally-funded oil spill recovery operations.
- Intercepted over 3,900 illegal migrants.
- Interdicted over 173,000 pounds of illegal drugs, including an estimated 138,000 pounds of cocaine.
- Provided services and assets to assure the safe operation of vessels on waterways that carry more than 95 percent of America's foreign trade tonnage.

The USCG's *Maritime Safety Goal* is to eliminate deaths, injuries and property damage associated with maritime transportation, fishing, and recreational boating.

The USCG's Search and Rescue Program conducted approximately 39,000 cases. Preliminary data indicates that of the approximately 4,800 lives that were in imminent danger, the Coast Guard saved approximately 4,100 lives. The average annual number of mariner lives lost decreased substantially during the 1990s.

The Recreational Boating Safety (RBS) Program served an estimated 17 million

boats and approximately 72 million Americans, about one-fourth of the nation's population, who participate in recreational boating each year. The RBS program works to teach boaters how to avoid boating problems and how to better survive boating problems when they do occur.

The Marine Safety and Environmental Protection programs promote safety through regulation, inspection and education, with an emphasis on preventing problems before they occur for both domestic vessels and foreign vessels that call on U.S. ports.

The substantial decrease in the average number of mariner lives lost over the 1990s arose from the effective coordination of Coast Guard response and prevention activities serving the Maritime Safety Goal.

The USCG's *Maritime Mobility Goal* facilitates maritime commerce and eliminates interruptions and impediments to the economical movement of goods and people, while maximizing recreational access to enjoyment of the water.

The USCG maintains the largest aids-to-navigation system in the world, with more than 49,000 Federally-owned buoys, fixed markers and lighthouses, with aid availability consistently over 98 percent. The Coast Guard also operates precision electronic navigation systems that provide highly accurate positions in harbors, waterways and coastal approaches. Long-range radio-navigation transmitters include LORAN and the Differential Global Positioning System (DGPS). The DGPS is being expanded through an interagency effort led by the Coast Guard to provide nation-wide coverage to assist maritime, aviation, and surface users.

The Coast Guard keeps vital domestic shipping lanes open during the winter ice

season. On the Great Lakes and rivers, the USCG's domestic icebreakers and buoy tenders ensure that ships and cargo are able to move to and from our communities. The Coast Guard's polar icebreakers provide capability to support national defense, scientific research and other national interests in polar regions.

The USCG's *Protection of Natural Resources Goal* is to eliminate environmental damage and natural resource degradation associated with all maritime activities, including transportation, commercial fishing, and recreational boating.

The Marine Safety and Environmental Protection Program also works to minimize damage from potential spills of oil and hazardous materials. The USCG responded to over 2,400 pollution spills (oil and chemical spills) in FY 2001. A related USCG responsibility is the management of the Oil Spill Liability Trust Fund, which has a capitalization of about \$1 billion. In FY 2001, the USCG managed over 600 Federally-funded pollution cases, including many begun in prior years. Commitments in removal efforts for these cases totaled \$24.8 million.

The Fisheries Enforcement Program is responsible for enforcing all laws and treaties that affect and protect the \$30 billion commercial and recreational fishing industry. The Coast Guard patrols the closed fishing grounds off New England so that depleted stocks have an opportunity to rebuild, and elsewhere conducts at-sea inspections to enforce fishing gear restrictions, fishing bycatch quotas and other fisheries regulations. In the Gulf of Mexico, the Coast Guard protects endangered sea turtles threatened by indiscriminate net fishing and partners with

the National Marine Fisheries Service to keep fish stocks viable within the 200-mile Exclusive Economic Zone, a region of more than 3.3 million square miles.

The USCG's *Maritime Security Goal* is to protect our nation's maritime borders by halting the flow of illegal drugs, migrants, and contraband entering our country by maritime routes; preventing illegal incursions of our Exclusive Economic Zone by foreign fishing vessels; and suppressing violations of Federal law in the maritime region.

As a key element in the President's National Drug Control Strategy, the Coast Guard strives to deny drug traffickers maritime routes by patrol and interdiction efforts coordinated closely with domestic law enforcement agencies and foreign governments.

FY 2001 drug interdiction accomplishments include the seizure of over 138,000 pounds of cocaine (record amount), the seizure of almost 35,000 pounds of marijuana, and the arrest of approximately 114 felons.

The USCG's *National Security Goals* are to protect our nation as one of the five Armed Services and to enhance regional stability in support of the National Security Strategy.

The Coast Guard is a leader in America's Homeland Maritime Security. With broad law enforcement authority, experience in the Exclusive Economic Zone, command and control systems, and considerable cutter, aircraft and boat response capabilities, the Coast Guard is a visible presence in all major U. S. ports. In the few weeks between the September 11, 2001 terrorist attacks upon the U.S. and the end of the reporting period, the Coast Guard surged operations to support National Security

imperatives. This was primarily accomplished by diverting resources from other critical missions; by operating cutters, boats, aircraft and Marine Safety staffs at very heightened tempos; and by heavy reliance on activated Coast Guard Reservists.

To prospectively ensure the safety of our strategic ports and to provide domestic force protection for naval assets, the Coast Guard is stepping up the speed and depth of port vulnerability assessments and is moving to field active-duty Port Contingency Response Teams for domestic crisis response.

While our national defense functions begin in America's ports, they extend to distant parts of the world. They include Deployed Port Security and Defense; Maritime Interception Operations; and Peacetime Military Engagement. Coast Guard cutters deploy to support DOD's needs worldwide and the Service plays a crucial role in the President's strategy for international engagement by conducting training with international maritime forces. Through these interactions, the Coast Guard serves as an appropriate model for developing nations as an efficient, multi-mission, maritime military service. By example, the Coast Guard has become a positive force for peace and stability, promoting democracy and the rule of law.

U.S. Coast Guard Financial Management Performance Highlights

The Coast Guard Finance Center has recently begun supporting all other DOT OAs by providing electronic document imaging and indexing services which help streamline the processes and costs associated with handling millions of paper documents each year. By shifting diverse documents, such as vendor invoices, to an electronic system, an array of innovative

process reengineering opportunities are available to all DOT customers. In addition to improving the actual work processes, the system supports comprehensive management reporting of key metrics such as voucher processing cycle time and queue time. In addition to maximizing discount opportunities and minimizing late payment penalties, this rapid benchmarking and implementation of a key best practice throughout the Department has not only resulted in a quick leap forward, but in a significant saving of capital costs by the OAs being supported by the Coast Guard.

Federal Aviation Administration (FAA)

FAA is the leading Federal agency responsible for the safety of civil aviation and for guiding and helping develop commercial space transportation. Major activities include the certification of pilots, aircraft, and airports; around-the-clock operation and maintenance of the nation's air traffic control system; modernizing the national airspace system infrastructure; working with local security, intelligence, and law enforcement agencies to prevent incidents that threaten airport and aircraft security; and the distribution of Federal funds to airports to maintain and enhance airport safety and security, preserve existing infrastructure, and expand capacity and efficiency.

On September 11, 2001, terrorists hijacked four U.S. commercial jet airliners, crashing them into the twin towers of the World Trade Center in New York, the Pentagon, and the Pennsylvania countryside. Once the nature and scale of the attacks were realized, Secretary Mineta ordered, for the first time ever, the closing of America's airspace. Moments after the first attack, FAA issued a ground stop to prevent any aircraft from taking off and ordered the 4,873 aircraft

already airborne to land as quickly as possible at the nearest available airport. Each of these planes landed safely. Stringent new security measures were implemented immediately in response to the attacks. The new measures included close monitoring of vehicles parked near the airport; discontinuance of curbside and off-airport check-in; the increased presence of law enforcement officers and canine units; random security and identification checks throughout the entire terminal areas; restricted access beyond the screening area; enhanced screening procedures; the banning of all cutting instruments from carry-on luggage and the selling of such instruments beyond the security checkpoints; and other restrictions.

The national airspace was reopened to commercial aviation at 11 a.m., Eastern Standard Time, September 13, 2001. Before resuming operations, airports and air carriers had to meet the enhanced security requirements through a certification process. In addition, President Bush directed the expansion of the Federal Air Marshals program to provide a substantially increased level of coverage within the United States.

The events of September 11, 2001, changed fundamentally the assumptions underlying aviation security. On September 27, 2001, President Bush announced that he would seek Congressional approval to make the expansion of the Federal Air Marshals Program permanent and that he would work with Congress to put the Federal Government in charge of managing airport security and screening services. The President called for the National Guard to be stationed at every commercial airport nationwide until the new security plans are put in place. The President also announced that effective October 1, 2001, a \$500 million Federal grant program would

be available to finance aircraft modifications to delay or deny access to the cockpit. Two Rapid Response Teams created by Secretary Mineta contributed recommendations for consideration. The teams' most substantive recommendations, including a major program for securing the cockpit doors of the nation's entire commercial aircraft fleet and a \$20 million dollar grant for innovative, new technology that will further enhance flight deck security, are underway.

The FAA's mission has always been, and continues to be, to provide the American people with the safest, most technologically advanced aviation system available. This mission has never been more vital than it is today. In the months ahead, FAA will take new steps to move people and civil aviation safely and efficiently, recognizing that the nature of the threat has changed. The aviation activities and performance measures reflected in this FY 2001 Consolidated Financial Statement are based on actions taken before the tragic events of September 11, 2001. These activities document, however, the FAA's prodigious workload — around the clock and border to border:

- In managing the safe, efficient flow of aircraft through the nation's airspace.
- In performing the thousands of regulatory actions and inspections that are necessary to meet the highest standards of safety and to maintain the integrity and reliability of the U.S. aviation system.
- In upgrading facilities and expanding the capacity of U.S. airports.
- In speeding the transition to the next generation of air traffic control technology.

Safety Regulation and Certification

FAA aviation safety inspectors and technical staff oversee the safety of planes and the credentials and competency of pilots and mechanics, develop mandatory safety rules, and set the standards that have helped make air travel among the safest modes of transportation. On May 7, 2001, for example, FAA issued a rule that requires airplane manufacturers and operators to change how airplane fuel tanks are designed, maintained and operated. It includes regulation to minimize the potential for failures that could cause ignition sources in fuel tanks on new and existing airplanes and, for the first time, mandates airplane design changes to minimize the flammability of fuel tanks on new airplanes. The rule is the most comprehensive fuel tank safety initiative ever put forward.

The Safer Skies initiative, begun in partnership with the industry in June 1998, has implemented safety interventions to reduce commercial accidents in two areas — controlled flight into terrain and uncontained engine failures. Interventions focusing on the approach and landing phases of flight are in development.

Civil Aviation Security

FAA works with local security, intelligence, and law enforcement agencies to protect passengers, personnel, aircraft, and critical national airspace facilities against terrorist and other criminal acts. Since implementing the new security measures, FAA has continuously monitored the effectiveness of these measures and has worked with airports and air carriers to refine and expand them as necessary. On October 8, 2001, FAA issued new guidance on the kinds of items that can be carried on board and limited passengers to one carry-on

bag and a pocketbook or briefcase. The restrictions on carry-on luggage were recommended by the Rapid Response Team for Airport Security and mirror rules imposed on flights to and from Reagan National Airport. FAA also issued rules allowing airlines to quickly strengthen cockpit doors without having to follow normal requirements for modifying planes. The rules also drop the requirement that all crewmembers, including flight attendants, have keys to the cockpit.

Since the early 1970s, the FAA has required the screening of passengers and property to prevent unlawful or dangerous weapons, explosives, or other destructive substances from being carried onto commercial aircraft. Under current law, the FAA sets the standards for screener selection, training and testing, and the airlines implement those requirements, usually through contracting with security screening companies. Before they are hired, security screeners and their supervisors are subject to an employment investigation and, in some cases, a criminal history background check (i.e. an FBI fingerprint check). Last year, under the Airport Security Improvement Act of 2000 (Security Act), Congress expanded the requirement for a fingerprint check to all new screeners, to be phased in first at major airports, which has already been done, and then to all other regulated airports by November 2003.

For effective performance, screeners must be given the best tools available and trained to use them properly. In addition to the conventional screening tools, hand-held and walk-through metal detectors, and the X-ray system, screeners now have explosives trace detection (ETD) devices that can detect the presence of explosive materials in a passenger's carry-on items. Currently, 778 of these devices are in use at

170 airports. To help test and measure screeners' performance, FAA is deploying a new software technology called threat image projection (TIP) that runs on the checkpoint X-ray machines.

As of September 16, 2001, 678 X-ray units at airports across the country were equipped with TIP. FAA expects to replace X-ray machines at every airport security checkpoint in the country with new TIP-installed X-rays.

FAA is also continuing airport placement of explosive detection systems (EDS) for checked bags. EDS detects, without human intervention, the amounts and types of explosives likely to be used by terrorists to cause catastrophic damage to commercial aircraft.

Air Traffic Services

FAA air traffic controllers provide 24-hour/7 days a week support to pilots during every phase of a flight. On a typical day, controllers handle approximately 200,000 takeoffs and landings and move over 600 million commercial airline passengers per year. Controllers rely on a complex network of radar, computer, and communications systems that is kept operating at peak efficiency by highly trained electronics and environmental technicians.

Throughout FY 2001, DOT and FAA continued work to minimize delays in the air traffic control system. Capacity benchmarks, representing the maximum number of flights that an individual airport can routinely handle, were established for 31 major airports. Plans were also developed to improve operational efficiency at the eight airports with the highest delay rates.

The reduction of runway incursions continues to be one of the FAA's most important safety initiatives. FAA is working to enhance pilot and controller communication, identify and implement procedural changes to reduce surface operational errors, and develop and promote runway safety training for airline, airport, and land FAA personnel. Site-specific solutions are underway at approximately ten airports that sustain the highest number of runway incursions.

Research and Acquisitions

FAA provides the essential infrastructure and conducts research to meet increasing demands for higher levels of system safety, security, capacity, and efficiency. In June 2001, FAA unveiled a cooperative ten-year plan that addresses the growing gap between demand and capacity in the air transportation system. The Operational Evolution Plan is unique in that it integrates and aligns the agency's activities with those of the aviation industry and users of the system. It calls for changes in how aircraft operate to better utilize available capacity; a redesign of the airspace to accommodate greater numbers of aircraft while maintaining safety; deployment of new technology to increase flexibility; construction of new runways; and new procedures to improvement management and mitigation of delays.

FAA's Research, Engineering and Development (R,E&D) effort, conducted in collaboration with NASA and other Federal laboratories, encompasses programs that support the introduction of Free Flight; the reduction of risks associated with wake vortices, hazardous weather, and aircraft fatigue and corrosion; the development of more reliable security technologies; the improvement of airport surface operations;

the investigation of human factors in the aviation environment, and aircraft safety programs that support the Safer Skies initiative.

Free Flight

The Free Flight program was established in 1998 to develop and install selected automation capabilities for controllers to provide more flexible and efficient management of the airspace. Both Free Flight Phases 1 (FFP1) and 2 (FFP2) are on track. The FFP1 segments of the surface management and collaborative decision making tools are complete.

Airports

FAA provides leadership in planning and developing a safe, secure, and efficient national airport system. As part of its safety oversight mission, FAA certifies airports serving commercial aircraft operating with more than 30 seats and periodically inspects those airports for compliance with established safety standards.

The Airport Improvement Program (AIP) is the primary program for distributing Federal funds to airports to maintain and enhance airport safety and security, preserve existing airport infrastructure, expand capacity and efficiency throughout the airports system, and reduce the impact of airport noise on the surrounding community. The AIP, which receives funds from the Airport and Airway Trust Fund maintained through the payment of user taxes, makes it possible to fund one-fourth to one-third of all capital development at the nation's public use airports. In FY 2001, airport grants were funded at \$3,193 million. The Passenger Facility Charge (PFC) Program provides an additional source of capital funding for improving airports. At the end of calendar

year 2000, annual PFC collections exceeded \$1.6 billion.

Commercial Space Transportation

The Office of Commercial Space Transportation oversees the safety of commercial space launches and regulates the growing commercial space industry. The organization licenses commercial space launches that take place in the U.S. or are conducted by U.S. citizens anywhere in the world. Since the first launch in 1989, there have been 137 licensed commercial launches. In February 2001, FAA released the first study of the U.S. commercial launch industry's effect on the nation's economy. The report shows that, in 1999, over \$61.2 billion in economic activity was linked to the U.S. commercial space industry and that over 497,000 people were employed in the United States as a direct or indirect result of commercial space transportation and enabled industries.

Federal Highway Administration (FHWA)

The mission of FHWA is to continually improve the quality of our nation's highway system and its intermodal connections.

FHWA provides grants to States to help plan, build, maintain, and manage the nation's highway system and bridges. It also performs research and development of highway and trucking related issues; manages the Intelligent Transportation System (ITS) program; and operates the direct Federal highway construction program for Federal lands.

Most FHWA programs and projects are authorized by TEA-21 and receive funds from the Highway Trust Fund (HTF).

Federal-Aid Highway (FAH) Program

The FAH program is the principal Federal program for distributing funds to the States to build and rehabilitate major highways and bridges. The States are reimbursed for eligible work after the work is performed. Federal-aid funding accounts for 99 percent of FHWA's budget authority.

This program provides for construction and preservation of the approximately 42,800 mile National System of Interstate and Defense Highways, generally financed on a 90 percent Federal, 10 percent State basis. It also provides for the improvement of approximately 800,000 miles of other Federal-aid primary, secondary, and urban roads and streets, with financing generally on a 75 percent Federal to 25 percent State basis.

The FAH program also funds: relocation assistance to those displaced by highway construction; improved access for the handicapped; joint use and development of highway corridors; acquisition of real property for right-of-way; participation of disadvantaged business enterprises in highway construction; and preservation of public parks and recreation lands, wildlife and waterfowl refuges, historic sites, and the natural beauty of the countryside along highways.

Funding is specified by category in the highway authorization statutes. The major programmatic categories are:

- *National Highway System (NHS)* funds construction or reconstruction on about 161,000 miles of the principal highways in the nation.

The NHS was created by an Act of Congress in FY 1996. The 161,000 miles were designated in

consultation with the States. In FY 2001, total obligations incurred by States for Federal-aid was \$4.9 billion.

- *Surface Transportation Program (STP)* funds a flexible program that allows use of highway funds for a wide range of activities, including transit, safety and transportation enhancements which encompass numerous environmentally related activities, and bicycle-pedestrian accommodations.
- *Interstate Construction (IC)* funds completion of the Interstate Highway System. Currently, most States have opened their designated Interstate mileage to traffic. Nationwide, 99.9 percent of the 42,795-mile system is open to traffic.
- *Interstate Maintenance* funds rehabilitating, resurfacing, restoring and reconstructing older segments of the Interstate Highway.
- *Congestion Mitigation and Air Quality Improvement Act (CMAQ)* funds environmental mitigation measures in the Clean Air Act non-attainment areas and STP activities in other areas. It is intended to reduce congestion and improve air quality. The CMAQ program offers States flexibility to fund a wide range of projects — the largest share thus far is funding transit projects (46.8 percent) followed by traffic flow (30.9 percent).
- *Bridge Replacement and Rehabilitation (BRR)* funds construction or repair on any bridge. The bridge inventory system has disclosed that for FY 2000 of all the bridges inventoried which are not on the Federal-aid System, 16.9 percent are structurally deficient and 13.5 percent obsolete; on the National

Highway System, 5.9 percent are structurally deficient and 15.6 percent are obsolete.

To ensure that the percent of structurally deficient and obsolete bridges grows no larger, it is estimated that \$5.2 billion of maintenance would be required each year for the next 14 years.

These six categories account for about 77 percent (\$177.2 billion) of the \$229 billion for highways authorized by ISTEA and TEA-21 for 1992 through 2001. Much of the remainder of the authorized funding is for special interest projects, special State allocations to balance the money flowing into and out of the HTF from each of the States, and for several other miscellaneous categories.

Federal Lands Highway Program (FLHP)

The FLHP provides HTF financing of the construction and improvement of Indian reservation roads, parkways and park roads, and public lands highways, including forest highways and discretionary public land highway funding. FHWA provides the direct Federal resources to manage this program in conjunction with the Departments of Interior and Agriculture. This program also provides direct construction management experience for persons in the FHWA engineering training program. In general, projects to be funded each year are selected by the Federal agency with jurisdiction over the Federal lands involved.

Appalachian Development Highway System (ADHS)

This program provides funding for the construction of the highways and access roads that make up the ADHS to promote

economic development and establish a State-Federal framework to meet the needs of the 13-State region. A total of \$2.25 billion is authorized under TEA-21 to be distributed based on the latest available cost-to-complete estimate.

Intelligent Transportation Systems (ITS) Program

The ITS program is designed to research, develop and operationally test advanced vehicle and highway systems; develop an automated highway system; and promote such technology as a means to increase the efficiency of the nation's highways.

The program funds States, local governments and private entities to develop and test new technologies, processes, procedures and other activities that have the potential to enhance the efficiency of transportation infrastructure (e.g., increase the capacity of an existing highway by increasing the average speed), or improve operations of the vehicle using the infrastructure.

Over the life of ISTEA and TEA-21, the ITS program has tested and proved the viability of numerous technologies and applications. Numerous operational tests are demonstrating the viability of first generation ITS technologies and services. FHWA is now seeing products and services refined by operational test programs become self sufficient and competitive in the market place.

Innovative Financing Initiative

Transportation Infrastructure Finance and Innovation Act (TIFIA)

Congress passed the Transportation Infrastructure Finance and Innovation Act of

1998 (TIFIA) to provide Federal credit assistance to major transportation investments of critical national and regional significance, such as intermodal facilities, border crossing infrastructure, expansion of multi-State highway trade corridors, and other investments. During FY 2001, TIFIA authorized \$2.2 billion in total Federal credit assistance. Since the creation of TIFIA, DOT has selected 10 projects to benefit from TIFIA at a budgetary cost of \$195.6 million to the Federal government and providing \$3.13 billion in credit assistance supporting transportation investments worth nearly \$12 billion.

Federal Motor Carrier Safety Administration (FMCSA)

FY 2001 was FMCSA's first full fiscal year of operations as an independent modal administration. FMCSA, which was formerly a part of the FHWA, was established within the DOT on January 1, 2000, pursuant to the Motor Carrier Safety Improvement Act of 1999 [Public Law No. 106-159, 113 Stat. 1748 (December 9, 1999)]. FMCSA's primary mission is to prevent commercial motor vehicle-related fatalities and injuries. Administration activities contribute to ensuring safety in motor carrier operations through strong enforcement of safety and HAZMAT regulations, targeting high-risk carriers and commercial motor vehicle drivers; improving safety information systems and commercial motor vehicle technologies; strengthening commercial motor vehicle equipment and operating standards; and increasing safety awareness. To accomplish these activities, FMCSA works with Federal, State, and local enforcement agencies, the motor carrier industry, labor safety interest groups, and others.

Motor Carrier Safety Assistance Program (MCSAP)

The Motor Carrier Safety Assistance Program is a Federal grant program that provides States with financial assistance for roadside inspections and other commercial motor vehicle safety programs. It promotes detection and correction of commercial motor vehicle safety defects, commercial motor vehicle driver deficiencies and unsafe motor carrier practices before they become contributing factors to crashes and hazardous materials incidents. The program also promotes the adoption and uniform enforcement of safety rules, regulations and standards compatible with the Federal Motor Carrier Safety Regulations (FMCSRs) and Federal Hazardous Materials Regulations (FHMRS).

Regulatory Compliance and Enforcement

The Administration's compliance reviews and enforcement activities and the States' roadside inspection activities are the principal means of ensuring that the FMCSRs and the FHMRS are enforced. Compliance and enforcement efforts are enhanced through the Performance and Registration Information Systems Management (PRISM) program, a Federal and State partnership to improve safety performance or remove high-risk carriers from the nation's highways. Through PRISM, compliance reviews are conducted on unsafe motor carriers and their safety performance is monitored and tracked. Continued poor safety performance may result in a Federal Operations Out-of-Service Order/unfit determination in conjunction with the suspension and/or revocation of vehicle registration privileges.

Commercial Driver's License Program

FMCSA develops, issues, and evaluates standards for testing and licensing commercial motor vehicle drivers. These standards require States to issue a commercial drivers license only after drivers pass knowledge and skill tests that pertain to the type of vehicle operated. States are audited every three years to monitor compliance with Federal standards; noncompliance could result in loss of Federal funding.

Data and Analysis

FMCSA collects and disseminates safety data concerning motor carriers. Data collected by Federal safety investigators and State partners from roadside inspections, crashes, compliance reviews and enforcement activities are indexed by carrier. This information provides a national perspective on carrier performance and assists in determining Federal and State enforcement activities and priorities. Combined with data from other sources (including NHTSA), extensive analysis is performed to determine trends in performance by carrier and other factors such as cargo, driver demographics, location, time and type of incident. Based on identified trends, FMCSA directs resources in the most efficient and effective manner to improve motor carrier safety.

Research and Technology Program

FMCSA identifies, coordinates, and administers research and development to enhance the safety of motor carrier operations, commercial motor vehicles, and commercial motor vehicle drivers. FMCSA promotes the use of information systems and advanced technologies to improve commercial vehicle safety, simplify

government administrative systems and provide savings to States and the motor carrier industry.

Border and International

FMCSA supports the development of compatible motor carrier safety requirements and procedures throughout North America in the context of the North America Free Trade Agreement (NAFTA). It supports programs to improve the safety performance of motor carriers operating in border areas through special grants to States for enforcement activities and, in cooperation with other Federal agencies, supports the development of State safety inspection facilities. FMCSA participates in international technical organizations and committees to share best practices in motor carrier safety.

Hazardous Materials

FMCSA enforces regulations for the safe transportation of hazardous materials by highway and rules governing the manufacture and maintenance of cargo tank motor vehicles, as set forth in Chapter 51 of Title 49 of the United States Code.

Household Goods

FMCSA has established a task force to identify and investigate those household goods carriers which have exhibited a substantial pattern of consumer abuse. Consumer awareness/self-help packages are available.

Hotline

FMCSA provides a toll-free hotline for reporting dangerous safety violations involving a commercial truck or bus: 1-888-DOT-SAFT (1-888-368-7238).

Federal Railroad Administration (FRA)

FRA was created in 1966, to promote and enforce safety throughout the U.S. railroad system, rehabilitate the Northeast Corridor rail passenger services, consolidate Federal support for rail transportation, and support research and development for rail transportation. The mission of FRA is to provide national leadership for safe, secure and environmentally sound rail transportation for all Americans.

This is accomplished by:

- Promoting safety by working toward the elimination of rail-related deaths, injuries and property damage.
- Advancing the service, reliability and timely movement of people and goods by fostering and investing in an efficient and accessible rail system.
- Fostering the development, demonstration and implementation of technology to advance rail applications in the United States.
- Promoting full and timely access to information for internal and external customers.

During FY 2001, America's railroads operated over 145,000 route miles of track, with over 220,000 miles of track (including multiple main track, sidings, and yard tracks). The tracks are owned by over 658 different railroads, ranging from Class I freight railroads and Amtrak's Northeast Corridor to historic railroads of one mile or two in length, maintained by volunteers. Freight and passenger railroads employ more than 40,000 maintenance-of-way employees, and regional short line railroads

also rely on scores of contractors to perform needed maintenance.

Railroad Safety Program

By law, FRA has responsibility for ensuring railroad safety throughout the nation. FRA's Railroad Safety Program protects railroad employees and the public by ensuring the safe operation of passenger and freight trains.

FRA Office of Safety enforces and administers the Track Safety Standards (Part 213, Title 49, Code of Federal Regulations), which prescribe minimum standards for track structure and geometry, as well as requirements for visual inspection of tracts and other internal flaw detection. During FY 2001, three of FRA's safety compliance programs continued to monitor compliance with the Track Safety Standards and take enforcement action where necessary to promote compliance.

Field Inspection Program. FRA and the States work together to enforce track discipline and standards. During FY 2001, FRA and participating State inspectors monitored over 250,000 miles of track; completed over 55,334 inspection reports, inspected 2,190,296 units, found 237,815 defects, and made over 140,872 other observations. Violations of the Track Safety Standards and other unacceptable conditions resulted in the collection of over \$4.5 million in civil penalties assessments against major carriers, shippers of hazardous materials, and small railroads.

Automated Track Inspection Program (ATIP). This program involves the use of a technologically advanced track geometry inspection vehicle that measures track defects under load. FY 2001 marked the

inaugural deployment of FRA's newest track geometry car T-2000, a rail-bound self-propelled vehicle. After nearly twenty years and some half-million miles of service, the T-2000 replaced its predecessor T-10 in the ATIP. The vehicle provides a reference standard to evaluate major railroads, and also provides FRA with timely, authoritative data on the condition of major rail routes. The T-2000 is a valuable tool for safety inspectors in accessing the level of railroad compliance with Federal Track Safety Standards. During FY 2001, FRA's T-2000 surveyed over 21,000 miles of track, detected over 5,666 defects of which 1,050 were very serious.

Safety Assurance and Compliance Programs (SACP). SACP is a "systems approach" to safety. It has three major program objectives: consistency in regulatory applications; improving communications; and focusing on the root causes and solutions to systemic safety problems. To meet these objectives, FRA has inspectors evaluate data from routine site-specific inspections and initiate further action if problems appear to be systemic in nature. The new SACP is intended to compliment FRA's traditional safety enforcement program with a comprehensive approach in which SACP participants (other government agencies, State representatives, and the railroad industry) work with FRA to identify and correct root causes of problems across an entire railroad system. During FY 2001 SACP identified and corrected over 400 problem areas across the railroad industry.

Operation Lifesaver (OLI). Operation Lifesaver is the nation's premier nonprofit railroad safety education organization dedicated to ending collisions, deaths, and injuries at highway-rail grade crossings and railroad right-of-ways. For the past

29 years, OLI and its volunteers have worked nationwide with FRA, other agencies within DOT, and the nation's railroads to reduce fatalities at railroad crossings by more than 70 percent. During FY 2001, a grant for \$1.02 million was awarded to OLI for the delivery of public education and awareness programs related to highway-rail crossing safety and railroad trespass prevention in the U.S. This grant agreement provides 75 percent matching funds towards qualifying safety program activities.

Railroad Research and Development Program. An effective research program is essential to the FRA's safety assurance and regulatory responsibilities, and its efforts to ensure a continuing viable and safe railroad transportation system for movement of people and freight. To this end, the FRA Office of Research and Development (R&D) conducts research, development, test and evaluation of projects to support its safety mission and to enhance the railroad system as a national transportation resource. The Office of R&D continued its research efforts in FY 2001 to make high-speed rail and magnetic levitation transportation safe for travelers and the environment.

High Speed Rail Transportation. During FY 2001, grants were awarded to ten states in Federally-designated high-speed corridors to eliminate hazards at public and private highway-rail grade crossings. The funding was used along with other Federal and State grade crossing funding to safely accelerate the implementation of high-speed rail corridors.

Magnetic Levitation Transportation Technology Deployment Program. Section 1218 of TEA-21 created a national Magnetic Levitation Transportation Technology Deployment Program. As provided for in

Section 1218, Federal funding consists of \$55 million for pre-construction planning to identify the most promising project through a competitive process, and up to \$950 million for final engineering and construction of the guideway of the selected project. A competition was initiated in 1999, and two projects were selected in FY 2001:

- *Baltimore, Maryland to Washington DC.* A 40-mile project linking Camden Yards in Baltimore (a sports complex and center for recreation and tourism) and Baltimore-Washington International Airport (BWI) to Union Station in Washington, DC.
- *Pittsburgh, Pennsylvania.* A 47-mile project linking Pittsburgh Airport to Pittsburgh and its eastern suburbs.

The two project teams will share the \$14.2 million Federal funding to refine proposed plans, estimates of ridership and revenues, and environmental analysis.

Federal Transit Administration (FTA)

The mission of FTA is to provide leadership, technical assistance and financial resources for safe, technologically advanced public transportation, which enhances all citizens' mobility and accessibility, improves America's communities and natural environment, and strengthens the national economy. The Department's strategic goals are supported and forwarded through the combined impact of FTA's assistance programs.

FTA provides financial assistance to develop new transit systems, and improve, maintain, and operate existing systems. FTA has several major assistance programs.

Funds are provided through legislative formulas or discretionary authority.

The Metropolitan Planning Program provides funds to support the cooperative, continuous and comprehensive planning program for making transportation investment decisions in metropolitan areas.

The State Planning and Research Program provides financial assistance to States for Statewide planning and other technical assistance activities; planning support for non-urbanized areas; research, development and demonstration projects; fellowships for training in the public transportation field; university research; and human resource development.

The Urbanized Areas Formula Program makes Federal resources available to urbanized areas and Governors for capital and operating assistance in urbanized areas and for transportation related planning. All preventive maintenance and some Americans with Disabilities Act complementary paratransit service costs are considered capital costs under this program.

The Non-Urbanized Area Formula Program provides formula funding to States to support public transportation in areas of less than 50,000 population. Funding may be used to fund capital, operating, State administration, and project administration expenses.

The Rural Transit Assistance Program provides a source of funding to assist in the design and implementation of training and technical assistance projects and other support services tailored to meet the needs of transit operators in non-urbanized areas.

The Elderly and Persons with Disabilities Program provides formula funding to States

to assist private nonprofit groups in meeting the transportation needs of the elderly and persons with disabilities when the transportation service provided is unavailable, insufficient or inappropriate to meet these needs.

The Capital Investment Program provides capital assistance for three primary activities: new and replacement buses and facilities, modernization of existing rail systems, and the construction of new fixed guideway systems or the extensions to existing fixed guideway systems.

The National Research and Technology Program addresses transportation problems that are national in scope.

The Transit Cooperative Research Program provides funding to address transit operating and efficiency issues identified by the transit industry.

The University Transportation Center (UTC) Program provides grants to institutions of higher learning to establish and operate university transportation centers. Under the UTC program, research and education programs are conducted with a focus on the transfer of knowledge relevant to national, State, and local issues, and building the professional capacity of the transportation workforce.

The National Transit Institute established at Rutgers University in 1992 provides training and education programs for the transit industry.

The Job Access and Reverse Commute (JARC) Program provides grants to develop transportation services designed to transport welfare recipients and low income

individuals to and from jobs and to develop transportation services for residents of urban centers and rural and suburban areas to suburban employment opportunities. Over 13,300 employment sites were made accessible to welfare recipients and low-income individuals as a result of the JARC.

The Over-the-Road Bus Accessibility Program provides funding for the incremental capital and training costs associated with meeting the requirements of the DOT over-the-road bus accessibility rule.

For the 80 million Americans that do not drive, public transit provides access to school, work, and community services. Through the programs described, FTA provides funding to over 800 public transit operators in 316 urbanized areas, 1,260 transit systems serving rural areas, and 3,700 agencies that provide transit service to elderly individuals and disabled persons.

The Federal transit investment, used to purchase buses and railcars, refurbish existing infrastructure or construct new infrastructure, supports 144,039 total transit vehicles, 10,427 miles of rail track, 2,776 rail stations, and 1,310 maintenance facilities nationwide.

A total of 9.4 billion trips, representing 45.3 billion passenger miles of transit service were provided in 2000. By providing basic mobility to millions of American workers, contributing to the revitalization of urban neighborhoods, and saving America approximately \$15 billion a year in costs associated with traffic congestion, transit is a wise investment with multiple benefits to society.

National Highway Traffic Safety Administration (NHTSA)

The mission of NHTSA is to save lives, prevent injuries and reduce traffic-related healthcare and other economic costs. NHTSA pursues this mission by developing, promoting and implementing effective educational, engineering and enforcement programs directed at ending preventable tragedies and reducing economic costs associated with vehicle use and highway travel — estimated at \$150 billion annually.

As a result of NHTSA's programs, motor vehicle travel has become safer. Traffic fatalities have decreased from 51,091 in 1980 to 41,821 in 2000. The fatality rate per 100 million vehicle miles was 3.3 in 1980 and has held steady at 1.6 since 1997, despite a significantly rising number of vehicles being driven more miles. Non-occupant fatalities continue a downward trend, and fatalities among children ages 0-4 and 5-15 are decreasing. However, NHTSA still must address highway safety challenges. In 2000, although non-occupant fatalities continued a downward trend, and the number of non-motorcycle related fatalities decreased, the overall number of fatalities increased slightly, in comparison with 1999, and alcohol-related fatalities and motorcycle fatalities increased.

Strong Federal leadership and innovative approaches are required to confront these issues. The Transportation Recall Enhancement, Accountability, and Documentation (TREAD) Act strongly impacts on NHTSA's approach to preventing safety problems before they occur. The Act requires the agency to develop rulemaking actions to update the tire safety standard; develop dynamic

rollover tests; and improve the safety of child restraints.

Moreover, program cost effectiveness is a foremost consideration in all NHTSA activities. A 1994 NHTSA analysis of the Department's traffic safety programs showed that society receives a return of about nine dollars for each dollar spent on vehicle and highway safety. Programs administered by NHTSA are funded from both the Highway Trust Fund and the General Fund. NHTSA's programs are designed specifically to intensify agency efforts in behavioral and vehicular safety initiatives.

Traffic Safety Programs

The traffic safety programs administered by NHTSA encompass a range of program strategies to reduce crashes and their consequences. Traffic safety programs include highway safety research activities; demonstration efforts targeting new strategies and technologies; and education and outreach efforts, particularly focusing on multi-cultural education programs and other high-risk groups.

- *Occupant Protection Programs* continue progress toward the goals of the *Initiative to Increase Seat Belt Use Nationwide* to 90 percent by 2005. National safety belt usage has risen to 73 percent in 2001. The program emphasizes enforcement and education and utilizes public/private partnerships to increase the use of safety belts and child safety seats.
- *Impaired Driver Programs* seek to reduce impaired driving by changing driver behavior through a variety of strategies such as stricter laws and enforcement, better training and

outreach programs, and expanding national partnerships. However, much still remains to be accomplished. Alcohol-related fatalities, which were 38 percent of all fatalities in 1999, increased in 2000 to 40 percent of all fatalities. Bold new strategies need to be implemented to reduce this number. The easy gains have been made. The agency must focus on those high-risk groups--youth, 21-to 34-year-olds, and repeat offenders--in order to potentially reach the national goal of no more than 11,000 alcohol-related fatalities by 2005.

- *Other Safety Programs* continue to increase the number of people educated about air bag safety, improve emergency medical services, and focus attention on pedestrians, bicyclists, motorcyclists, and older and younger drivers. NHTSA establishes strategies to combat drug use by youth in support of the *Initiative on Drugs, Driving, and Youth*. NHTSA continues to investigate and demonstrate methods to control speeding, aggressive driving, and other unsafe driving acts.

Safety Performance Standards

- *Safety Standards Support Program* obtains and analyzes information on changes in automotive design and technology and on regulatory and non-regulatory alternatives to increase motor vehicle safety. The program responds to rulemaking petitions and legislative mandates, such as TREAD, and develops vehicle performance standards for other priority safety problems. FY 2001 TREAD actions included development of revisions to the child safety seat and tire standards and a new requirement for tire pressure monitoring systems in light vehicles.

- *New Car Assessment Program (NCAP)* conducts crash tests to evaluate the comparative crashworthiness of passenger vehicles and to motivate vehicle manufacturers to provide higher levels of occupant protection by using market forces. NHTSA conducts frontal and side impact tests at 35 mph and 38.5 mph, respectively, to provide information to consumers for their purchasing decisions.
- *Other Programs* report statistics on motor vehicle theft and insurance related data, issue rules regarding vehicle theft prevention and set Corporate Average Fuel Economy (CAFE) standards, rulemaking actions and consumer information on Uniform Tire Quality Grading.

Safety Assurance

- *Vehicle Safety Compliance* ensures that all motor vehicles and motor vehicle equipment sold in the U.S. provide the safety benefits intended by Federal safety regulations or qualify for the appropriate exemptions.
- *Defects Investigation Program* collects, analyzes, and acts on information related to safety defects that affect the occurrence and severity of crashes. NHTSA also analyzes recalls conducted by manufacturers to determine whether notification to owners, scope of vehicles or equipment covered, and remedies performed are adequate. In 2000, there were 379 recalls, involving 14 million vehicles and more than 20 million items of motor vehicle equipment and tires for safety problems. One-sixth of the recall campaigns, representing over 50 percent of the vehicles recalled and 96 percent of

tires and equipment recalled, were influenced by NHTSA defects investigations.

- *Odometer Fraud Programs* help reduce odometer fraud by enforcing Federal laws and regulations, encouraging States to aggressively enforce State laws, increasing public awareness, and monitoring motor vehicle titling systems.
- *Auto Safety Hotline* serves as the primary contact for consumers to report problems with motor vehicle or motor vehicle equipment that may warrant a safety defect investigation and also to provide consumers with timely information concerning motor vehicle safety.

The Hotline, 1-888-DASH-2-DOT, (1-888-327-4236) received over 800,000 calls from customers for each of the last four years, seeking information on a wide variety of highway safety issues, from child seat installation to recalls, crash data, air bags on specific vehicles, and in 2000, the most current Firestone Tire issues.

Research and Analysis

There are four major programs in Research and Analysis.

- The *Crashworthiness Research Program* promotes transportation safety through continuing research in vehicle safety, vehicle aggressivity and compatibility, and by improving occupant safety in crashes involving passenger cars, light trucks, and vans.
- The *Crash Avoidance Research Program* focuses on passenger and commercial vehicle research including

visibility, directional control and braking, and rollover stability. The program also includes use of advanced technologies under the Intelligent Vehicle Initiative (IVI) of the Department's Intelligent Transportation Systems (ITS) program. The agency also undertakes driver-vehicle safety research, including human factors research to evaluate the safety potential and effectiveness of various collision avoidance countermeasures.

- The *National Center for Statistics and Analysis* operates high quality, large-scale crash databases that are used by both public and private sectors to support critical highway traffic safety, vehicle regulatory, and safety recall programs.
- The *Vehicle Research and Test Center* serves as NHTSA's in-house R&D test laboratory.

Highway Safety Grants

NHTSA provides grants to States, including Section 402 formula grants and Section 405 Occupant Protection Incentive grants; Section 410 Alcohol-Impaired Driving Incentive Grants; and Section 411 State Highway Safety Data Improvements Incentive grants.

The Section 402 program is a performance-based formula program that provides the States with the opportunity to set their own highway safety goals and develop program strategies to meet them. State programs are focused on national priorities including alcohol/drug-impaired driving prevention; occupant protection; police traffic services; emergency medical service/trauma care; traffic records; pedestrian/bicycle safety; motorcycle safety; and roadway safety.

The Section 405 Occupant Protection Incentive Grant Program awards grants to States to implement and enforce seat belt and child safety seat usage. This program funds State occupant protection and countermeasures programs, including improved safety belt and child safety seat laws, increased enforcement, and air bag and child safety seat use education programs.

The Section 410 Alcohol-Impaired Driving Countermeasures Incentive Grant Program encourages States to adopt and implement effective programs to reduce traffic safety problems occurring as a result of drivers operating motor vehicles while under the influence of alcohol. States can receive grants based on specific actions, such as enactment of laws and implementation of programs to reduce impaired driving.

National Driver Register (NDR)

The National Driver Register provides a very critical transportation safety function by allowing State motor vehicle administrators to communicate with other States to identify problem drivers. The NDR is a central repository of identification information on individuals whose license to operate a motor vehicle has been revoked, suspended, canceled, or denied in any State. It is used by other transportation-related organizations such as FAA, FRA, USCG, air carriers, and employers of motor vehicle operators.

Maritime Administration (MARAD)

The mission of MARAD builds on their maritime heritage and strengthens the maritime industry for the continued security and prosperity of the Nation. MARAD has primary Federal responsibility for ensuring the availability of efficient water

transportation service to shippers and consumers. MARAD also seeks to ensure that the U.S. enjoys adequate shipbuilding and repair service, efficient ports, effective intermodal water and land transportation connections, and reserve shipping capacity for use in time of national emergency.

Maritime Security Program (MSP)

The MSP provides funding to maintain a U.S. flag merchant fleet crewed by U.S. citizens to serve both the commercial and national security needs of the U.S. Payments are made to U.S. carriers for 47 dry cargo ships (capped at \$2.1 million per ship per year) employed in U.S. international liner trades. This program is authorized through FY 2005, and is subject to annual appropriations. In exchange for the payment, U.S. carriers agree to provide the Department of Defense (DOD) with “assured access” to modern and efficient U.S. flag commercial liner ships, intermodal equipment and systems, including terminal facilities, as well as providing a base of experienced U.S. merchant mariners to transport DOD contingency and sustainment cargoes anywhere in the world.

The MSP was enacted into law in the first quarter of FY 1997. The estimated total of MSP outlays through FY 2005 will be approximately \$814 million. Without this sealift capacity, the Nation’s vital national military and economic interests would be compromised as it would be prohibitively expensive for the Government to own sufficient shipping resources to sustain projected U.S. military operations in an emergency.

Operating Differential Subsidy (ODS) Program

This program provides subsidies to U.S. ship

operators to place U.S. flag vessels on a parity with those of foreign competitors. These were 20-year contracts between the Federal Government and subsidized vessel operators. Subsidy was provided for wages in all cases, and maintenance and repair and insurance costs in some cases. The ODS program, which is the predecessor of the MSP, is being phased out as the MSP is implemented.

National Defense Reserve Fleet (NDRF) and Ready Reserve Force (RRF) Programs

The primary focus of the NDRF and RRF programs is to contribute to the achievement of MARAD's national security strategic goal. NDRF retention ships, except the RRF component, are in a deep lay-up condition.

There are 140 ships in the NDRF which can be activated to help meet U.S. shipping requirements during a national emergency above which the RRF and commercial fleets can satisfy. Of the 272 NDRF ships, 132 non-retention ships are being held, slated for disposal. NDRF ships are preserved and maintained by MARAD. MARAD spends about \$260 million annually to maintain the NDRF. The NDRF/RRF program is currently funded by DOD through the National Sealift Trust Fund. The NDRF ships are primarily cargo ships and tankers.

The RRF was established in 1976, as a subset of the NDRF. Of the 272 ships currently in the NDRF, 76 are RRF ships. RRF ships are upgraded and maintained to be fully operational and tendered to the DOD within four to 20 days after notification.

The RRF is composed of special types of cargo ships, not available on short notice from the commercial fleet. The RRF is structured to transport Army and Marine Corps unit equipment and initial resupply

for armed forces deploying anywhere in the world during the critical initial period before adequate numbers of commercial ships can be obtained.

During FY 2001, the reliability of active RRF ships was 99.25 percent over a combined total of 2,009 ship-days under operational control by Military Sealift Command.

Maritime Guaranteed Loan (Title XI) Program

The Title XI program promotes the growth and modernization of the U.S. merchant marine fleet and U.S. shipyards in support of MARAD's shipbuilding strategic goal. The program enables companies to obtain long-term financing from the private sector on terms and conditions and at interest rates that may otherwise be unavailable in the commercial market. Under the Title XI Program, the Federal Government guarantees full payment to the lender of the unpaid principal and interest in the event of default. Funds guaranteed under this program are obtained from the private sector to aid in U.S. shipyard construction and reconstruction of merchant vessels and U.S. shipyard modernization projects.

Beginning in FY 1992, the Credit Reform Act required MARAD to obtain appropriations to cover the estimated subsidy cost of new Title XI Loan Guarantees. Appropriations are also required to fund administrative expenses. As of September 30, 2001, Title XI Loan Guarantees in force totaled approximately \$4.9 billion, covering approximately 900 vessels.

Ocean Freight Differential (OFD) Program

MARAD supports the strategic trade goal of

increasing the U.S. maritime industry's participation in foreign trade by paying the differential between shipping costs on U.S. flag vessels and foreign flag vessels, for specified programs of the U.S. Department of Agriculture (USDA) and the Agency for International Development. P.L. 99-198 increased from 50 to 75 percent the amount of agricultural commodities under specified programs that must be carried on U.S.-flag vessels. In general, the differential shipping costs are covered by the Federal agency shipping the goods, but MARAD is required to reimburse USDA for ocean freight differential costs for the added tonnage above 50 percent but not exceeding the additional 25 percent. These reimbursements are funded through borrowing from the Treasury.

During the past 13 years, MARAD reimbursed USDA \$430 million for its OFD obligations. This resulted in just over 16.1 million metric tons of additional agricultural food aid cargo for U.S. flag carriers at an average OFD rate of \$27 per million metric ton.

Capital Construction Fund (CCF) Program

The CCF program supports MARAD's shipbuilding strategic goal by assisting operators to accumulate their own capital in order to build, acquire and reconstruct vessels through the deferral of Federal income taxes on eligible deposits. Operators may defer taxes on funds deposited in the CCF and withdraw the money at a later date to build or acquire vessels. In general, the taxable income of the operator is reduced to the extent deposits of money are made into the fund. The outstanding fund balances amounted to \$1.7 billion at the end of FY 2001, with 151 fund holders.

There have been cumulative deposits of \$6.7 billion since program inception to accomplish construction and acquisition programs.

Maritime Education and Training

MARAD provides world-class maritime education and training at the U.S. Merchant Marine Academy at Kings Point, N.Y. and provides Federal support for six State/Region maritime academies through direct payments to the schools, incentive payments to cadets, and maintenance and repair of ships provided to the schools as primary training aids. Support for the education and training of U.S. citizen seafarers helps to meet MARAD's national security strategic goal by ensuring that American mariners with appropriate skills are available to crew commercial and government-owned cargo ships in times of national emergencies.

War Risk Insurance Fund (WRIF) Program

The program encourages continued flow of U.S. foreign commerce during periods when commercial insurance cannot be obtained on reasonable terms and conditions to protect vessel operators and seamen against losses resulting from war. This program offers the advantage of avoiding the high rates charged by commercial insurers, which DOD or other Federal agencies would have to pay when chartering or hiring shipping into certain areas. As of September 30, 2001, there were 269 binders on vessels and barges providing eligibility for hull protection and indemnity and Second Seamen's war risk insurance.

Research and Special Programs Administration (RSPA)

The mission of RSPA is to make America's transportation systems more integrated, effective and secure by conducting and fostering cross-cutting research and special programs to enhance the quality of life, safety, environment, and well-being of all Americans. RSPA's mission can be broken down into three major programs: transportation safety, research and technology, and emergency preparedness. RSPA's safety mandate is to protect the nation from the risks inherent in the transportation of hazardous materials by all modes, including pipelines.

Transportation Safety Programs

Hazardous Materials (HAZMAT) Safety Program

HAZMAT identifies hazardous materials and works with shippers and carriers who offer for transportation or transport hazardous materials by highway, rail, water, or air. In addition, RSPA coordinates its activities with international authorities, as well as with other Federal departments and agencies, and State and local government agencies.

Regulated hazardous materials include bulk shipments, like gasoline, anhydrous ammonia, and liquid nitrogen, as well as non-bulk shipments, like dynamite, radiopharmaceuticals, and a wide variety of hazardous chemicals used in industrial processes and consumer products. In addition, the HAZMAT safety program prescribes requirements for the training of each employee that performs any transportation-related function. RSPA maintains a toll-free telephone information service (1-800-467-4922) and a website

<http://hazmat.dot.gov> to assist shippers, carriers, compliance enforcement officers, and other affected individuals, in their understanding of regulations under certain particular circumstances.

RSPA is working on several fronts to enhance the knowledge and education of individuals and companies responsible for complying with the Hazardous Materials Regulations (HMR).

Pipeline Safety Program

During FY 2001, the Office of Pipeline Safety (OPS) began implementing the Integrity Management Program, and issued integrity management rules applying to hazardous liquid pipelines. The rule sets forth risk-based requirements for the testing of all pipelines in high-consequence areas. It provides Federal and State regulators with an improved basis to review the adequacy of each operator's integrity management and methods, appropriate to the specific risk pipelines pose to the community, and requires documented decisions and actions by pipeline operators to reduce or eliminate these risks. With growing energy demands, increased population living near pipeline right-of-ways, and concerns about recent significant pipeline accidents, pipeline operators must take additional measures to ensure safety, environmental protection, service reliability, and public confidence. The Integrity Management Program addresses these concerns.

RSPA's focus on reducing excavation-related damage to pipelines continued in FY 2001. Excavation damage is the single greatest cause of pipeline failures. It affects all utilities that share underground space (pipelines, electricity, telecommunications, water, sewer, and cable). RSPA led the formation of the Common Ground Alliance (CGA), a

non-profit damage prevention organization during FY 2001. The CGA embodies the type of broad-based stakeholder support needed to increase national awareness and use of damage prevention best practices.

In light of the September 11 terrorist attacks, RSPA sponsored a Direct Action Group to solicit industry input into the formulation of pipeline security policy. RSPA was quick to notify pipeline operators about stepping up their vigilance on monitoring their pipeline systems for tampering or sabotage. In addition, RSPA worked closely with FAA to ease temporary flight restrictions that had hampered pipeline aerial patrols.

Transportation Safety Institute (TSI)

TSI supports the Department's and RSPA's Strategic Plans through safety and security training programs for all modes of transportation. This is accomplished through the development and administration of training in many forms: classroom teaching, self-teaching course modules, train-the-trainer courses, and distance learning. The safety professionals who are the recipients of TSI's safety training come from all levels of Federal, State and local governments, and industry.

Research and Technology Programs

John A. Volpe National Transportation Systems Center (Volpe Center)

The Volpe Center provides Federal transportation and logistics expertise in research, analysis, development and deployment of transportation technologies for clients in DOT and other Federal agencies on a fee-for-service basis. The Volpe Center also serves as a bridge to industry, academia and other government agencies to promote innovation in national

and international transportation.

In FY 2001, the Volpe Center obligated almost \$216 million against about 350 projects. These projects included, upgrading the Army rail fleet; further enhancements to the Advanced Traffic Management System used by the FAA; further Army amphibious and watercraft engineering support; additional work improving the physical security of the U.S. Capitol facilities; Environmental Protection Agency (EPA), Region 8 site assessment and remediation; additional improved guidelines for Human Factors engineering of the design and evaluation of cockpit avionics, air traffic control, and high speed rail; continued safety performance analysis systems (SPAS) operations; and further development for the DOT's FMCSA's safety performance monitoring system called SAFESTAT.

Research and Development Program

RSPA's R&D program supports the Department's Strategic Plan by: fostering technological innovation in transportation through private-public partnerships; promoting world-class transportation research; and building the transportation workforce of the future. This is accomplished by leading Federal and Departmental transportation research and development strategic planning activities and by investing in advanced technology, enabling research and education for the Department and transportation enterprise.

Transportation Infrastructure Assurance

Also in FY 2001, RSPA and the DOT Office of Intelligence and Security collaborated to identify several high-priority needs. RSPA and FAA funded single and multi-year research and technology transfer initiatives

to: identify cyber-security gaps and vulnerabilities in transportation control systems; use high efficiency particulate arresting (HEPA) filters to establish “clean air” baselines for transportation terminals and facilities; conduct broader vulnerability assessments of intermodal terminals; establish transportation requirements for teams responding to attacks with weapons of mass destruction (WMDs); and transfer information on improving infrastructure security to Governmental and non-Governmental stakeholders.

In response to the September 11 attacks, RSPA released a Broad Agency Announcement, "Ongoing Transportation Service and Infrastructure Assurance Research Activities," to identify for possible implementation valuable research efforts intended to improve the security or reduce the vulnerability of transportation services and operations to accidental or intentional disruption.

Human-Centered Transportation Systems

In an effort to mitigate human error and improve performance for commercial and non-commercial transportation equipment operators, RSPA awarded several projects to government, private sector and academic institutions to focus on fatigue management approaches and strategies.

University Transportation Centers (UTC) Program

The mission of the UTC Program is to advance U.S. expertise and technology in the many disciplines comprising transportation through the mechanisms of education, research, and technology transfer at university-based centers of excellence. The outcome desired from DOT's investment in the UTC Program is an increase in the number of Americans who

are prepared to design, deploy, operate and maintain the complex transportation systems that will enhance America's economic competitiveness in the 21st Century. By the year 2004, the investment in UTCs is expected to result in a five percent increase in the number of Americans receiving advanced degrees in transportation-related fields from institutions of higher learning that receive DOT funding to support their education programs.

Emergency Transportation Program

RSPA's Emergency Transportation Program develops and maintains the Department's emergency preparedness policies and programs, covering a full spectrum of crises from natural disasters to national security, and manages the Department's Crisis Management Center (CMC). The RSPA staff coordinates the Departmental response to all major disasters.

In FY 2001, RSPA responded to 8 major emergencies and prepared 48 situation reports. RSPA works with OAs throughout the Department, who dispatch emergency field personnel to FEMA regional offices or directly to Disaster Field Offices, and alerts emergency support agencies. The Office of Emergency Transportation (OET) prepares and disseminates transportation infrastructure damage information to DOT leadership and external agencies.

OET ensures that crisis response management teams at DOT headquarters have a viable alternate facility from which to work following a situation that would render the DOT building unusable. Each year, OET works with regional entities and headquarters staffs to ensure crisis team staffing levels are maintained at least 85 percent of full complement and each member receives disaster response training. OET participated in a number of outreach

efforts throughout the year to enhance relationships between the Federal government, State government and industry groups during crises.

Additionally, the Department was a key Federal player in the September 11, 2001 response to the terrorism attacks in the U.S. DOT activated its CMC on a 24/7 bases and is preparing routine reports on the status of the transportation system. DOT provided or coordinated the transportation Federal responses into New York and Washington, D.C. The Continuity of Government program was implemented for the first time in DOT and will, like the CMC, remain in effect for an indefinite period of time.

Bureau of Transportation Statistics (BTS)

BTS assembles data and information that others need to make decisions concerning transportation. Additionally, BTS collects data; compiles, analyzes and publishes statistics; and generally coordinates the statistical programs within DOT. BTS manages the National Transportation Library and the Office of Airline Information, and leads the Federal effort in developing geo-spatial data for transportation.

As one of the Federal statistical agencies, BTS maintains a special degree of objectivity and independence. They provide special protections of confidentiality in data collection, and provide reports directly to the Secretary and to Congress. BTS does not advocate policies or programs. BTS' efforts are focused on getting — and helping to interpret — the data that can be used to better informed decision making, regardless of what the data show.

The mission of BTS is to lead in developing

transportation data and information of high quality, and to advance their effective use in both public and private transportation decision making. The BTS vision is that data and information of high quality will support every significant transportation policy decision, thus advancing the quality of life and economic well being of all Americans.

Relevance — BTS aims to anticipate the needs of decision makers, provide the information that is most useful to them, and demonstrate a thorough understanding of major transportation issues and trends.

Quality — BTS aims to provide data, analysis and information of high quality for transportation decision making which is accurate, reliable and objective.

Timeliness — BTS aims to reduce the lag in data reporting, so that decision makers have a nearly “real-time” view of the transportation system and the factors that affect it.

Comparability — BTS aims to provide a view of transportation that is consistent across modes and across time, to enable people to make comparisons and to make broad program and resource decisions.

Completeness — BTS aims to have data that covers transportation in every area of interest.

Utility — BTS aims to make data easy to access, understand, and use. In addition to sustaining day-to-day operations, BTS responded to the September 11 terrorist attacks by collecting special air carrier operating and financial data for distribution of Air Transportation Safety and System Stabilization Act funds; providing maps to the National

Infrastructure Security Committee and others; analyzing the economic impacts of the attacks on the transportation industry; and handling a huge increase in DOT web site queries.

Surface Transportation Board (STB)

The STB was established on January 1, 1996, by the Interstate Commerce Commission Termination Act of 1995 (ICCTA). The ICCTA eliminated the Interstate Commerce Commission (ICC) and transferred certain functions formerly performed by the ICC to the STB. The STB is a three-member, bipartisan, decisionally-independent adjudicatory body with jurisdiction over certain surface transportation economic regulatory matters.

The mission of STB is to promote substantive and procedural regulatory reform in the economic regulation of surface transportation, and to provide a forum for dispute resolution and facilitation of appropriate business transactions.

In performing its mission, the STB is streamlining case processing and applicable regulations, expediting the processing of all cases before the STB, ensuring that appropriate market-based activities in the public interest are facilitated, and developing new opportunities for various sectors of the transportation community to work together to find creative solutions to persistent industry and/or regulatory problems.

During FY 2001, STB issued approximately 943 decisions and court-related work, involving adjudications and rulemakings, resolving or otherwise acting upon matters such as rail carrier consolidations, abandonments, and line constructions and sales; review of rail labor arbitral decisions;

and rail rates and service. Some of these actions also related to intercity bus mergers and pooling matters, motor collective ratemaking, and non-rail rate matters, such as pipeline rate cases. In performance of its goals, the STB has issued several rulemakings streamlining regulations and the regulatory process and has issued a decision in its comprehensive reexamination of its rail merger policies and rules.

The STB's new merger rules require new merger applicants to provide competitive enhancements, demonstrate benefit claims, include service assurance plans, consider the downstream effects of the rail industry, and evaluate transnational issues. Also during 2001, the STB approved the minor rail merger consolidation of the Wisconsin Central railroad into the Canadian National.

With respect to rail restructuring, the STB continued its annual oversight of the Union Pacific/Southern Pacific merger and of the Conrail acquisition by CSX and Norfolk Southern railroads and initiated oversight of the acquisition of the Illinois Central railroad by the Canadian National railroad. The STB conducted a review of various rail access and competition issues, completed action on several labor arbitration appeals and processed numerous other rail restructuring cases. With regard to pending rail and pipeline rate complaints, the STB resolved a number of cases where the movement of coal and other commodities was unreasonably high. In the area of rail construction, the STB has done significant work on the transportation and environmental issues associated with the construction and operation of the DME railroad in the Powder River coal basin. The STB accepted an application from a party seeking to construct and operate a rail line connected with the interim storage of spent nuclear fuel.

Regarding other rail matters, the STB also continued its work on the joint task force with the Department of Agriculture to address shipper and railroad information needs relating to recurring seasonal problems affecting grain transportation.

With respect to non-rail activity, the STB has issued decisions in a number of intercity bus merger cases, as well as actions related to motor carrier rate bureaus. Also, there are a number of water carrier cases involving rates in the non-contiguous domestic water trade before the STB.

Office of Inspector General (OIG)

The Inspector General Act of 1978, as amended (Inspector General Act, P.L. 95-452), established the OIG as an independent and objective oversight organization within DOT. OIG is committed to fulfilling its statutory mission and assisting the Secretary and senior Department officials in achieving a safe, efficient and effective transportation system that meets vital national interests and enhances the quality of life of the American people today and in the future.

As prescribed by the Inspector General Act, the OIG:

- Conducts or supervises objective audits and investigations of DOT's programs and operations.
- Promotes economy, efficiency, and effectiveness within DOT.
- Prevents and detects fraud, waste, and abuse in the Department's programs.

- Reviews existing and proposed laws or regulations affecting the Department and makes recommendations about them.
- Keeps the Congress and Secretary fully informed about problems in Departmental programs and operations.

OIG also has significant responsibilities under the Chief Financial Officers Act, GPRA, the Government Information Security Reform Act, and the Government Management Reform Act. OIG fulfills these responsibilities by completing required audits of DOT's financial statements, assessing the adequacy of internal control systems, identifying opportunities to achieve financial benefits, and assisting the OAs in establishing appropriate performance measures.

In addition to fulfilling our statutory requirements, OIG's audit and investigative work supports all six goals established in DOT's Strategic Plan. To date, OIG has been very active in safety and security issues, especially aviation security, and plans to increase its focus to aid the Department in meeting its increased responsibilities in ensuring the safety and security of all transportation systems.